

Team 3 – Tale of Two Cities; A Global Solution to Project

Andrea Anghelèdu

Mario Bedogna

Federico Grossi

Naomi Lawton

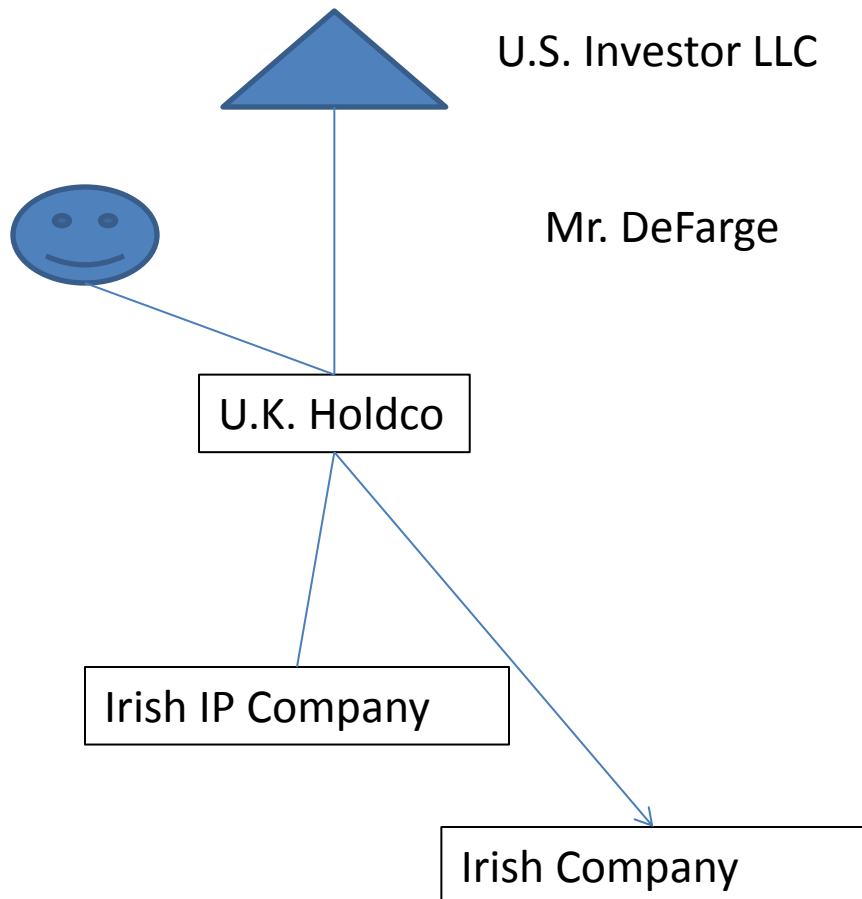
Stanley Ruchelman

Robert Worthington

Objectives

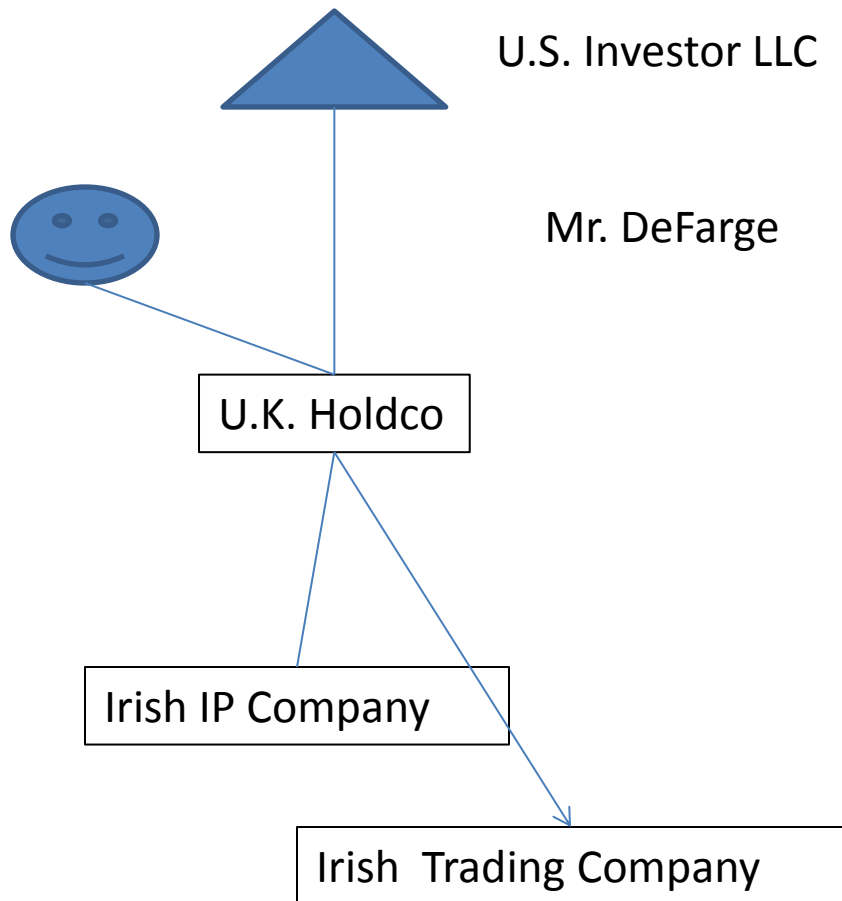
- Minimize capital investments in manufacturing
- Selection of tax-friendly IP regime
- Country profile – integrity of system & political stability
- Quality of labor force
- Create dividend income and cap gains for investors / avoid bad income for C.F.C.
- Manage VAT and Customs globally
- Avoid back-to-back royalties
- BEPS compliant
- Transfer of IP and LaFarge at an early stage

Building a Structure



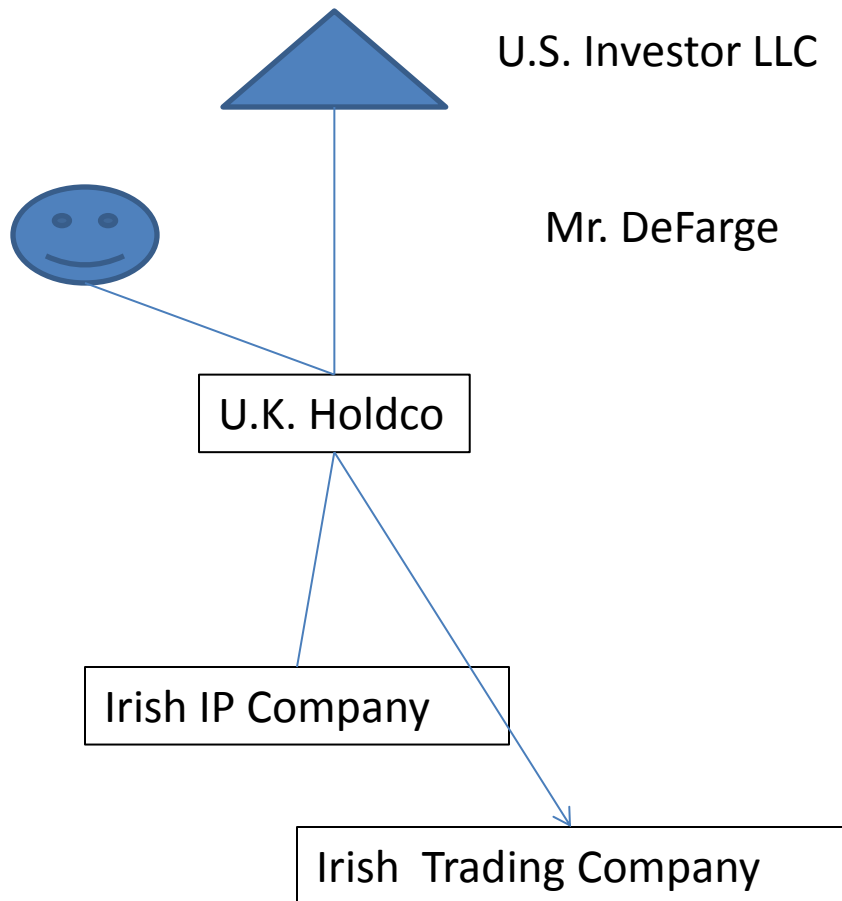
- IP company
 - On-Shore BEPS
 - Array of Personnel
 - 5% tax on royalties
 - 25% credit on R&D
 - Proximity to London & Paris
 - Time zone proximity to the U.S.
 - Rule of law as to property rights
 - Check the box election to be branch of Holdco for U.S. purposes

Building a Structure



- L.L.C.
 - Provides reduced tax for U.S. investors
 - Private equity
- U.K. Holding Company
 - No check the box provides lower tax for U.S. investors
 - No U.K. tax on dividend income received
 - No U.K. tax on dividend income paid
 - No U.K. tax on cap gains
 - Passport to Europe
 - Choice of capital markets

Building a Structure



- Irish Trading company
 - Check the box for U.S. tax purposes
 - 12.5% tax in Ireland
 - Deduction for royalties
 - No withholding tax on dividends
 - No cross border transfer pricing issues
 - Consolidates substance in Ireland.
 - Structural Simplicity
 - Manufactures through toll arrangements under long term arrangements